Government of Saskatchewan

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Cattle Market Update

For the Week Ending May 22, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
May 22/2015	Average	N.A.	N.A.	$325.33	$302.38	$274.50	N.A.	N.A.
May 22/2015	Range	N.A.	N.A.	310-353	285-324	261-287	N.A.	N.A.
week/week	Change	N./A.	N.A.	$4.70	-$3.00	$7.37	N.A.	N.A.
May 15/2015	Average	$352.33	$347.50	$320.63	$305.38	$267.13	$247.75	$224.50
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
May 22/2015	Average	N.A.	$308.50	$291.00	$266.63	$241.00	N.A.	
May 22/2015	Range	N.A.	291-335	281-310	258-275	237-254	N.A.	
week/week	Change	N.A.	-$5.13	-$2.33	$2.38	$0.62	N.A.	
May 15/2015	Average	$311.00	$313.63	$293.33	$264.25	$240.38	$225.17	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

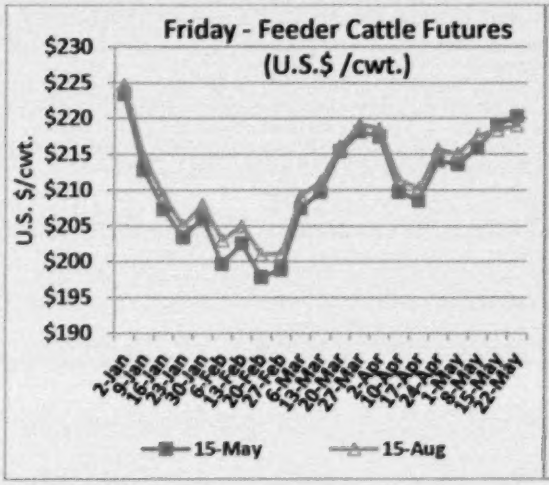
Canfax reported that a total of 2,651 head of cattle were sold in Saskatchewan this week, down from 3,110 head marketed the previous week. Saskatchewan feeder cattle prices were mixed with lower cattle volumes, overall wider price ranges, and mixed quality sold.

Saskatchewan feeder steer prices were mixed for the categories that were reported. Prices ranged from $3.00 per cwt lower to $7.37 per cwt higher. Prices in the 700-800 lb. weight category had the biggest gain over the week, while prices in the 600-700 lb. weight category had the largest loss over the week.

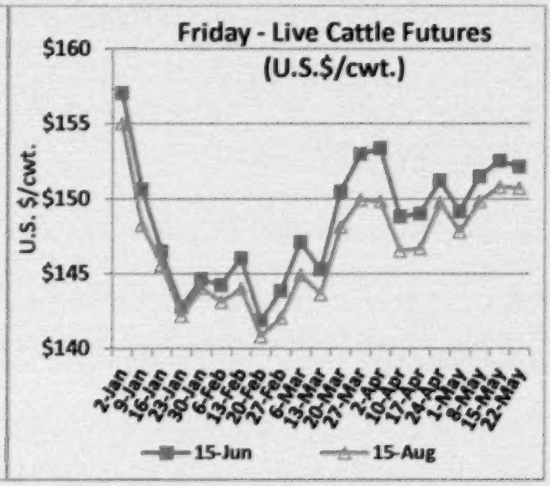
Feeder heifer prices were also mixed over the week for the categories reported. Feeder heifer prices ranged from $5.13 per cwt lower to $2.38 per cwt higher. The 400-500 lb. weight category had the largest loss, while the 600-700 lb. weight category had the biggest gain over the week.

The Saskatchewan 750 lb. feeder steer basis compared to the May 21, 2015, U.S. feeder cattle index at US$220.30 per cwt was calculated at -$3.49 per cwt (US$220.30/0.8129-$274.50), a basis weakening of $1.33 per cwt from -$2.16 per cwt on May 14, 2015.

Feeder cattle futures prices were mixed over the week but still managed to edge higher; week-over-week. The May contract increased US$1.30 per cwt to expire at US$220.30 per cwt, while the August contract increased US$0.60 per cwt to settle Friday at US$219.00 per cwt.



Source: CME



Source: CME

Live cattle futures prices were mixed over the week and edged slightly lower, week-over-week. The June contract declined US$0.40 per cwt over the week to settle Friday at US$152.125 per cwt, while the August contract declined US$0.10 per cwt to settle Friday at US$150.700 per cwt.

Iowa cash corn prices moved lower over the week declining nine cents per bushel to end Friday at US$3.40 per bushel. U.S. daily corn futures prices were mixed over the week but ended lower. The July corn futures contract declined 5½ cents to settle Friday at US$3.60 per bushel, while the September corn futures contract declined almost six cents per bushel to settle Friday at US$3.66¾ per bushel.

Fed and Non-fed Cattle

	May 22	May 15	Change over Week
Steers (Alberta)			
Live	201.12	202.54	-1.42
Rail	334.50-335.00	335.00-338.50	-0.50/-3.50
Cows (Alberta)			
D1,2 Live	147.42	146.13	+1.29
D3 Live	131.75	130.00	+1.75
Rail	282-287	282-287	n/c

Source: Canfax. (n/a = not available, n/c = no change)

Prices for live weight, non-fed cattle in Alberta were higher over the week. The price of D1,2 slaughter cows increased $1.29 per cwt to average $147.42 per cwt, while the price of D3 slaughter cows increased $1.75 per cwt to average $131.75 per cwt.

Cash fed prices in Western Canada for Alberta fed steer prices were lower over the week and reported to average $201.12 per cwt, down $1.42 per cwt from $202.54 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$159.98 per cwt, down US$0.82 per cwt from US$160.80 per cwt from the previous week, but up US$15.52 from US$144.46 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$251.66 per cwt, down US$3.21 per cwt from US$254.87 per cwt the previous week, but up US$19.33 per cwt from US$232.32 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 23 averaged US$263.19 per cwt, up US$1.12 per cwt from US$262.07 per cwt from the previous week, and up 14.2 per cent from US$230.48 per cwt the same week a year ago. Weekly average prices established new all-time high record prices passing the previous record of US$262.26 per cwt.

U.S. beef production for the week ending May 23, totaled 459.6 million lb., down 0.5 per cent from 461.7 million lb. the previous week, and down 3.6 per cent from 477.0 million lb. the same week a year ago. U.S. Cattle slaughter numbers were 566,000 head, down 0.5 per cent from previous week, and down 6.4 per cent from 605,000 head the same week a year ago.

On May 22, 2015, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for May 1, 2015.

May 1, 2014 and 2015, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2014	2015	Per cent of previous year
On feed April 1	10,792,000	10,797,000	100.0
Placed during April	1,623,000	1,548,000	95.4
Marketed during April	1,778,000	1,639,000	92.2
Other disappearance during April	83,000	66,000	79.5
On feed May 1	10,554,000	10,640,000	100.8

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in April 2015 was 1.548 million head, down 4.6 per cent from 1.623 million head in April 2014, and down 14.4 per cent from 1.809 million head in March 2015. The number of fed cattle marketed in April 2015 was 1.639 million head, down 7.8 per cent from 1.778 million head in April 2014, but up 0.5 per cent from 1.631 million head marketed in March 2015. The April cattle placements were about seven per cent below the average trade estimates (102.4) while the cattle marketed in April were slightly below the average trade estimates (92.4). The cattle on feed for May 1, 2015 were estimated at 10.640 million head, 0.8 per cent above the May 2014 inventory numbers, and about 1.5 per cent below the April 2015 numbers. The average trade estimates were expecting (101.7) while actual numbers were almost one per cent below. The biggest surprise in the report was the April cattle placements which were about seven per cent below the average trade estimates. The cattle on feed as of May 1, was about one per cent lower

than average trade estimates. The report will likely be viewed as bullish for fall live cattle prices with continued tight cattle supplies and lower than expected May inventory numbers.

Western Livestock Price Insurance Calf Program

The Western Livestock Price Insurance Calf Program coverage levels improved over the week from higher feeder cattle future prices and a lower Canadian dollar. Coverage levels over the week for November contracts ranged from a high of $272 per cwt ($1,632/600 lb. steer) to a low of $246 per cwt ($1,476/600 lb. steer). Premium costs for a 600 lb. steer ranged over the week from just over $4 to a high under $26. Next week is the last week producers can purchase calf insurance coverage levels with May 28, 2015, being the last purchase day. http://www.wlpip.ca/

Friday Price Information

Product		This Week (May 22)	Week of: (May 15)
Canadian Dollar (closing rate US$)		.8129	.8318
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		220.30	220.40
Seven-day Weighted Average FC Index Wt. (lb.)		772	766
Live Fed 5-area Steer Price (US$ per cwt)		159.98	160.80
Feed Grains			
Barley	Lethbridge ($/tonne)	202.00	203.00
	($ per bu.)	4.40	4.42
Corn	Iowa State Average (CDN$/tonne)*	164.66	165.18
	(US$ per bu.) (current Wed. price)	3.40	3.49
	Omaha, NE (CDN$/tonne)*	174.83	173.70
	(US$ per bu.)	3.61	3.67
Futures			
	July Corn (US$ per bu.)	3.60	3.65½
	September Corn (US$ per bu.)	3.66¾	3.72½
	June Live Cattle (US$ per cwt)	152.125	152.525
	August Live Cattle (US$ per cwt)	150.700	150.800
	May Feeder Cattle (US$ per cwt) *expire	220.300	219.000
	August Feeder Cattle (US$ per cwt)	219.000	218.400

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship, Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News

* conversion to CDN$ is based on Friday's CDN$ closing rate

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